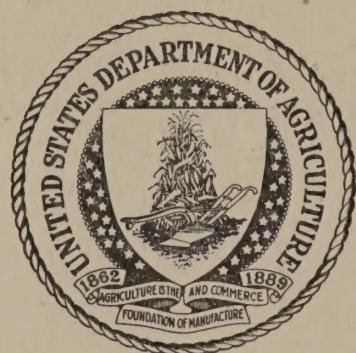


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CONFERENCE ON RESEARCH IN INCOME AND WEALTH, NOVEMBER 1945

WORK ON INCOME SIZE DISTRIBUTION

Bureau of Agricultural Economics

Field Surveys

The Bureau of Agricultural Economics is collecting income data on a quarterly basis from a representative sample of farm-operator households in the United States. The information is collected as part of the Quarterly Survey of Agriculture, in which the same households are interviewed during four successive quarters. It is expected that about 2,500 farm-operator families, located in 101 counties, will furnish complete information for all four quarters of the year. The farmers interviewed are a sub-sample of those selected in the Master Sample of Agriculture. The over-all income picture for 1945 will be available upon completion of tabulations from the fourth survey, which will be taken in January 1946.

The income data include cash farm receipts from the various items of crops and livestock, farm-production expenses, and family income from nonfarm sources such as wages and salaries, dividends, interest, rents, pensions, and veteran payments. The January 1946 survey will also include information on assets and liabilities at the beginning and end of the year, which will yield estimates of amount saved during the year, and data on accumulated savings of various kinds as of January 1, 1946.

In addition to income data, the survey will provide information on levels of living, methods of marketing, production and inventory data, use of credit, and a number of other related items.

Estimates of Income Size Distribution

The Bureau of Agricultural Economics plans to use the income data for 1945 collected in the Quarterly Survey of Agriculture, and the farm data for 1944 collected in the May 1945 Monthly Report on the Labor Force and in the Census of Agriculture, to construct estimates of the income size distribution of farm families for 1944 and 1945. These estimates will be tied in with annual series on total net income of farm operators and of other persons living on farms, now prepared by the Bureau of Agricultural Economics.

Bureau of Human Nutrition and Home Economics

Field Surveys

Early in 1945 data were secured from approximately 350 white farm-operator families in Tennessee and from 130 rural nonfarm families in Blount County on income in 1944 and changes in income and family composition from 1943 to 1944. Only families of two or more persons were included. Detailed data were secured on income and changes in assets and liabilities as well as expenditures for family living.

During the early summer surveys were made in Laurens County, Georgia, and Highland County, Ohio, of the income and food consumption of housekeeping families living in the open country. On the Georgia schedule three short questions were used in the early part of the interview to get a report of annual income.

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Data then secured will be compared with those secured by more detailed questions. Approximately 280 families reported later in the interview in Laurens County, Georgia, and 240 families in Highland County, Ohio. Consumption data included annual food expenditure and quantities of farm-furnished food and specific foods consumed during a 7-day period.

Bureau of Labor Statistics

Field Surveys

In January and February of 1945, the Bureau of Labor Statistics collected data on income during 1944 from a sample of 1700 urban families and single consumers. The figures on income were a necessary part of a study entitled Survey of Prices Paid by Consumers, which was designed primarily for comparison of family reports with prices and quantities used in the calculation of Consumers' Price Index. In themselves the income data provide information on the distribution of urban families and single persons in 1944, by total money income, by income less taxes, and by income less all deductions. The data also cover all of the income sources itemized as follows: wages and salaries, entrepreneurial earnings, receipts from roomers and boarders, interest, dividends, rents, receipts based on military service, dependency allotments, pensions, etc., annuities, cash relief and assistance and contributions from persons not members of the economic family.

In connection with the Work and Wage Experience Studies (designed to show economic and social adjustments occasioned by changes in employment), the Bureau, in the spring of 1945, obtained annual wage data for the years 1943 and 1944 from approximately 5,000 manufacturing workers then employed in various sections of the country. These workers also supplied data on their hourly wage rates and gross weekly earnings back to January 1941. At the time of the original survey about three-fifths of the workers under study were employed in industries, such as aircraft, shipbuilding and ordnance, which had expanded greatly during the war years. The remaining workers were drawn from a variety of industries and occupations which, it was expected, would continue to be important in the peacetime economy. It is planned to reinterview these workers periodically at intervals ranging from six months to a year. The resurveys will bring up to date the wage information for the individual and will seek to obtain data on total family income from all sources together with key indications of changes in the family savings and debt situation and information on family expenditures for typical durable goods items. The material so collected is to be analyzed and interpreted in relation to changes in employment and earnings.

Estimates of Income Size Distribution

During the past year the Bureau experimented with various techniques of constructing rough estimates of income size distribution under assumed conditions as to the level of the national income, the degree of employment and other factors. The two distributions constructed were needed as tools in connection with other problems of estimation. One set of distributions was developed from the assumptions included in the "First Gap" model of the National Planning Association. The second was based on a level of aggregate income payments about 15 percent higher than that used by the National Planning Association. In the construction of these estimates the Bureau used cross tabulations of the 1939 Census data; cross tabulations from the 1941 Survey of Spending and Saving in Wartime and from the Wisconsin income tax survey, and the distributions of prevailing wage rates prepared in the Bureau of Labor Statistics. Neither of these estimates has been published.



